

Item 4

N. Tomazulo

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REPORT ON
OPERATION OF STOCK OPTION PLAN
BY CHRYSLER CORPORATION

COMMITTEE ON FINANCE
UNITED STATES SENATE

PREPARED BY THE STAFFS OF THE
TREASURY DEPARTMENT

AND
JOINT COMMITTEE ON INTERNAL REVENUE
TAXATION



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LETTER OF TRANSMITTAL

TREASURY DEPARTMENT,
Washington.

HON. HARRY F. BYRD,
*Chairman, Senate Finance Committee,
New Senate Office Building, Washington, D.C.*

MY DEAR MR. CHAIRMAN: Pursuant to the request of the committee to study the facts involved in the operation of Chrysler's stock option plan, I am transmitting copies of a report, "Chrysler's Stock Options." This report was prepared by the Treasury Department but coordinated with the joint committee staff and has its concurrence.

Sincerely yours,

STANLEY S. SURREY,
Assistant Secretary.

REPORT ON OPERATION OF STOCK OPTION PLAN BY CHRYSLER CORP.

1. PRINCIPAL PROVISION OF THE STOCK OPTION PLAN

Chrysler's stock option plan was approved by the stockholders at their annual meeting, April 15, 1952. Originally covering a period of 10 years, the plan was extended for an additional 5 years by approval of the stockholders on April 17, 1962. During this 10-year period the plan was substantially revised, principally with respect to the number of shares authorized, option pricing policy, and the conditions of exercise of the options.

The original plan authorized 400,000 shares of Chrysler common stock to be set aside for purchase by the principal officers and key employees of the corporation and its subsidiaries. No more than 45,000 shares could be granted to a single employee. A committee of directors not eligible to receive such options was authorized to award the options at a price not less than 95 percent of the fair market value of the stock on the date of grant. On January 4, 1962, the minimum option price was raised to 100 percent of the fair market value of the stock.

The plan originally provided that no option could be exercised in whole or in part until after the holder of the option had been employed by the corporation (or a subsidiary) for at least 1 year after the date of grant. At the end of the first year the holder could purchase up to one-third the total number of shares subject to his option, at the end of the second year up to two-thirds, and at the end of the third year he could purchase up to 100 percent of the shares covered. The period of the option was limited to 10 years. The conditions of exercise were later amended (1958) to provide that options could be exercised, in whole or in part, after the holder had been in continuous employ at least 18 consecutive months after the date of grant. Thereafter he could exercise options (except in the case of death) only if he remained continuously employed through the date of exercise.

On January 4, 1962, significant changes were made in the terms of exercise of new options. An employee receiving new options after that date was required to remain in the continuous employ of the corporation or of a subsidiary for 12 consecutive months before he could exercise any part of the option; thereafter he may not buy more than 20 percent of the shares covered before the second anniversary of the date of grant, more than 40 percent before the third anniversary, more than 60 percent before the fourth anniversary, or more than 80 percent before the fifth anniversary. Options granted before January 4, 1962, however, could continue to be exercised in whole or in part after a period of 18 months from the date the option was granted.

The plan originally contained a provision that the person exercising the option must represent in writing that he intends to acquire the shares for investment purposes and not with a view to their distribution. After the annual stockholders' meeting of March 5, 1962, the board of directors, on recommendation of the stock option committee, deleted this provision for outstanding options as well as for all options granted in the future.

Shares sold under the plan may be either authorized and unissued shares or issued shares reacquired by the corporation; i.e., Treasury stock. Only authorized and unissued shares have been used for this purpose. The purchase price for the shares acquired under an option must be paid in full, in cash, upon exercise. Because of the sizable investment entailed, many officers finance the purchase of stock through bank loans.

In the event of a change in the outstanding common stock of the corporation by reason of a stock dividend, splitup, recapitalization, merger, or consolidation, the board of directors or the stock option committee may make appropriate adjustment in the aggregate number of shares available under the plan, the maximum number of shares which may be granted to any individual, the number of shares subject to each outstanding option and the option price.

No option may be granted under the plan after April 30, 1967. Prior to that date the board of directors may amend the plan in any respect or terminate the plan. But they may not increase the maximum number of shares to be sold under the plan or to any one individual, reduce the minimum option price, or extend the period during which options may be granted or exercised without further approval of the stockholders. Nor may the board of directors, without approval of stockholders, reduce the option price of an outstanding option or cancel an outstanding option and grant a new option at a lower price to replace it. Termination or amendment of the plan may not, without the consent of the holder of any option outstanding, terminate any employee's option or materially or adversely affect his rights under the option.

On January 10, 1963, subject to the approval of the stockholders, the board of directors amended the plan to increase to 650,000 shares the maximum number of shares covered. This number was doubled in accordance with the stock split effected April 19, 1963, and redoubled to 2,600,000 shares with the second stock split approved by stockholders, effective December 20, 1963. Shares reserved for options represented 3.25 percent of authorized capital stock.

2. OPTION GRANTS AND PRICES 1952-63

Options were first granted under the plan on May 1, 1952, for 84,000 shares of common stock at a price of \$69.35. These awards were followed on June 19, 1952, by additional grants of 75,250 shares at a price of \$73.51. Further grants were not made until May 5, 1955, when options covering 97,250 shares were granted at a price of \$77.07. These grants were followed by options covering 64,000 shares on August 2, 1956, at a price of \$61.52. An additional grant of 34,500 shares was made April 25, 1957, at a price of \$75.71. Thus, through 1957, option awards covered a total of 355,000 shares (1,420,000 shares after adjustment for subsequent stock splits).

By August 31, 1958, options covering only 23,500 shares were exercised; 63,500 shares covered by options lapsed through the death of the holder or otherwise, and 320,500 shares remained unexercised. The status of the plan at that time is shown by the following table:

Date of grant	Option price per share	Number of shares covered by options exercised	Number of shares covered by options lapsed ¹	Number of shares covered by options outstanding	Latest date of expiration ²
May 1, 1952	\$69.35	21,311	31,500	62,189	Apr. 30, 1962
June 19, 1952	73.51	2,129	19,500	73,121	June 18, 1962
May 5, 1955	77.07	-----	12,500	86,750	May 4, 1965
Aug. 2, 1956	61.52	60	-----	63,940	Aug. 1, 1966
Apr. 25, 1957	75.71	-----	-----	34,500	Apr. 24, 1967
Total	-----	23,500	63,500	320,500	-----

¹ Through death of holder or otherwise. These shares became available for subsequent options.

² Provided holder of option remains in employ of the corporation (or of a subsidiary).

Source: Chrysler Corp., notice of annual meeting of stockholders, Mar. 11, 1959.

By this time, because of the declining price of Chrysler stock, the options had tended to lose their value to the employee and their usefulness as a means of retaining desirable personnel. The average market value of Chrysler stock during the preceding 12 months had declined to less than 80 percent of the fair market value of stock on the dates that the foregoing grants were made. Taking advantage of the reset provisions of the Internal Revenue Code, the stock option committee lowered to \$52.49 the option price covering 245,111 shares previously granted May 1, 1952, June 19, 1952, May 5, 1955, and April 25, 1957, at prices ranging from \$69.35 to \$75.71 per share. This action was conditional upon the surrender for cancelation by the employees of their old options. On January 8, 1959, the committee also granted new options at \$49.94 a share to replace those previously granted August 2, 1956, at a price of \$61.52. Each holder of these newly granted options could exercise them after a continuous period of employment of 18 months from the new date of grant.

Because of changes in management assignments since the original options were granted, the size of the options held by many individual employees no longer reflected their management responsibilities. The stock option committee, therefore, did not modify all outstanding options "across the board" but considered each case individually and adjusted the number of shares optioned to each holder in accordance with his new responsibilities. In addition to the above adjustments of previously existing options (involving the surrender of the old options for cancellation) the stock option committee granted options on September 11, 1958, to 21 officers and employees to purchase 28,750 shares of stock at \$52.49 a share, and on January 8, 1959, to 5 officers to purchase 45,000 shares of Chrysler stock at \$49.94 a share. On December 3, 1959, options were granted to 12 persons covering a total of 30,750 shares at \$61.22 a share.

By March 5, 1962, none of the newly granted options had been exercised. At that time options were held by 86 officers and employees to purchase in the aggregate 307,396 of Chrysler common stock; 69,104 shares remained available for future grants. Of the original 400,000 of common stock reserved under the plan, options covering 23,500

shares had been exercised (prior to 1959). It was not until January 1963, that any of the new options was exercised by directors and officers of the corporation.

Table 1 summarizes the total number of shares covered by option grants through December 31, 1963, together with their price. Because of the 2 for 1 stock splits of April 19, 1963, and December 20, 1963, the number of shares and option prices are adjusted to reflect the situation at December 31, 1963. Through this period all directors and officers received options covering the equivalent of 1,112,584 shares, of which the officers who were directors received 603,984 shares. No information is available on the total number of shares covered by options granted all employees.

3. VALUE OF OPTIONS EXERCISED, 1963

As was indicated above, none of the new options was exercised until January 1963. By the end of the year all officers of the corporation (29) exercised options covering 480,800 equivalent number of \$6.25 par value shares. All executives, including the above officers, purchased 876,000 shares covered by options (table 2). The total value of these options at the time of exercise was \$13,658,979. This amount represented the difference between the option price and the market value of the shares at that time.

Officers who were directors of Chrysler exercised options with a value of \$3,891,811. Of these, the options exercised by Mr. Love, chairman, had a value of \$1,281,614, almost one-third of benefits realized by this group. The value of Mr. Townsend's, president, amounted to \$667,483, Mr. Quinn's, \$632,298, Mr. Misch's, \$481,981, and Mr. Bright's, \$500,175 (table 2).

It is of some interest to know how option benefits realized by the sale of optioned stock (the spread between market value and option price at time of exercise), and similar unrealized benefits on stock acquired under option but not yet sold, compare with compensation received by the principal executives of Chrysler. Since the period might properly be considered to date from 1958—when new options were granted in connection with the resetting of prices—salaries and bonuses received over the 6-year period, 1958-63, are taken as a basis of comparison. Although there were significant variations among the principal executives, the realized and unrealized value of options exercised by the seven top officers almost exactly equaled the salaries and bonuses they received over this period, excluding the 1963 bonus yet to be determined (table 3). The option benefits of G. H. Love, chairman, represented about 83.3 percent of his total compensation, and those of E. C. Quinn and L. A. Townsend, president, about 51 percent of their total compensation (including the option benefits).

During this 6-year period there was also an increase in the regular compensation of Chrysler's officers (table 4). In part, this increase, particularly in the case of Messrs. Townsend and Leary, was occasioned by an appreciable increase in responsibility. Excluding the new chairman, G. H. Love, total salary and bonuses of the top six officer-directors more than doubled, from a total of \$452,000 in 1958 to \$917,600 in 1962. In addition, increases in the salaries of some officers, as well as an anticipated increase in bonuses awarded in 1963, should bring their 1963 compensation to well above the 1962 total.

As of December 31, 1963, substantial options remained unexercised. Outstanding options of all employees are estimated at 885,684 shares, of which 638,184 shares were covered by options held by officers (table 5). These represented over one-half the number of shares covered by options granted over the period. At the end of 1963 the seven top officers still held options covering 347,184 shares, or about 57 percent of those received since 1958.

Under the terms of the grant not all of the options outstanding December 31, 1963, could be exercised by that time. Although those granted prior to January 4, 1962, could have been exercised in full, those granted after this date could be exercised only over a period of 5 years, and not over 20 percent could be exercised before the second anniversary of the grant. Thus, all but 302,400 shares of those issued to the directors and officers during the period could have been exercised; exercisable options of officers covering 335,784 shares, therefore, remained unexercised at the end of 1963. No information is available on the number of options exercisable by all optionees.

4. SALES OF OPTION STOCK, 1963

(a) *Shares sold*

During the second half of 1963, Chrysler's officers sold substantial amounts of the stock they acquired through the exercise of options during the first half of the year. In most cases they sold the stock shortly after the 6-month holding period that would qualify them for long-term, capital-gains tax treatment.

Reports of officers filed with the SEC show that in 1963 they sold about 33 percent of the stock acquired during this year (table 6). One-third of the officers reporting, including G. H. Love, chairman, retained all the stock purchased through options. Others sold up to 75 percent, including P. C. Ackerman, 75 percent; W. S. Simmons, 67.5 percent; Robert Anderson, 60 percent; and Messrs. Misch, Quinn, Bogan, and O'Brien, about 50 percent. L. A. Townsend, president, disposed of 63.8 percent of the stock he acquired during this period. Although R. S. Bright sold stock not identified as option stock, his sales amounted to 40 percent of the stock he acquired through options.

(b) *Gains realized*

Substantial gains were realized by the officers of Chrysler on the sale of their stock in 1963. All officers as a group are estimated to have realized \$4.2 million gains, before tax (table 7). After deduction of capital gains tax at the alternative rate, net gains are estimated at \$3.2 million.

The top seven officers realized total gains of \$2.7 million. Individual gains ranged to as high as \$744,000, for L. A. Townsend, \$507,234 for F. W. Misch, and \$625,982 for E. C. Quinn. Although R. S. Bright did not sell stock purchased through options, his gain would have amounted to \$376,530 if figured on the basis of stock so acquired. Mr. Love did not sell any of his holdings.

The magnitude of the gains reflected not only the low option price in comparison with market price at the time of exercise, but also the sharp rise in price of Chrysler stock since that time. Of the total gains of \$2.7 million realized by the top seven officers \$1.5 million reflected the rise in market price over the option price at time of exercise.

According to the chairman, Mr. Love, the large sales of stock are explained by the necessity of paying the corporation the full option price at time of purchase. Since this usually requires borrowing from banks and other sources to finance the purchase, it is necessary for the optionees to sell a portion of the shares acquired in order to repay the loans. The 6-month holding period complies with SEC rules and with provisions of the Internal Revenue Code to qualify as long-term gains.

(c) *Total realized and unrealized gains, 1963*

In addition to the gain actually realized on sale of Chrysler stock the officers also experienced substantial appreciation in the value of stock acquired during 1963 and still held at the end of the year. The value of the unrealized gain on such holdings of the seven top officers of the corporation at December 31, 1963, is estimated at \$4,649,992 of which G. H. Love's holdings accounted for almost one-half (table 8). About 50 percent (\$2.3 million) of the appreciation took place after the exercise of the options.

Taking into account realized and unrealized appreciation on option stock purchased, the total value of the seven top officers' wealth was enhanced through the exercise of options by an estimated \$7.3 million. After tax on gains realized, the net increase in wealth was \$6.7 million.

Including the \$4.8 million value of options exercisable at the end of the year, total realized and unrealized gains on options of the top officers amounted to \$12.2 million (table 8).

5. THE RECORD OF EARNINGS AND STOCK PRICES

The substantial stock option benefits realized by Chrysler's officers are attributable to the recovery in the company's earnings and the value of its stock since 1958. After plunging from \$3.44 per share in 1957 to a deficit of \$0.97 per share in 1958 (based on the equivalent number of \$6.25 par value shares outstanding) earnings rose to \$1.81 per share in 1962 and to probably double this amount in 1963 (table 9) (1963 earnings have not been reported but amounted to \$100 million in the first 9 months, against \$65 million for the full year 1962). Dividends per share dropped from \$1 in 1957 to a low of \$0.25, and were restored to \$1 in 1963.

Reflecting Chrysler's improved earnings outlook, the market value of its stock rose from a low of \$11 in 1958 to a high of about \$50 in 1963 (after adjusting for stock splits). Since most of the options were exercised at prices ranging between \$10.79 and \$13.1225, and the stock sold at prices ranging between \$30.8125 and \$45 in 1963, the gains were very substantial. The closing December 31, 1963, market price was \$41.625 (adjusted for the 2 for 1 split on December 20).

The improved profitability of Chrysler's operations since 1958 is largely explained by the increase in its passenger car output from 581,244 cars to 1,047,722 in 1963. The efficiency of its operations was also improved through severe cost-cutting measures. However, it did

not succeed in improving its market share in 1963 over the 13.7 percent held in 1958. Although this was somewhat higher than the low point of 10.3 percent in 1962, it fell below the 20-percent mark in 1957 and 15.2 percent in 1960. The record of automobile production over this period is shown below:

U.S. production of passenger cars, 1957-63

	Total United States	Chrysler	Chrysler percent of total
1957.....	6,120,029	1,223,035	20.0
1958.....	4,247,371	581,244	13.7
1959.....	5,599,468	737,799	13.2
1960.....	6,703,108	1,019,295	15.2
1961.....	5,522,019	648,670	11.7
1962.....	6,943,334	716,809	10.3
1963.....	7,644,350	1,047,722	13.7

6. NET INCREASE IN HOLDINGS DURING 1963

Despite the large sales of stock acquired through options, Chrysler officers still retained a substantial interest in their corporation at the end of 1963. And this interest represented a considerable increase over their holdings in the past. The number of shares still held by officers reporting to the SEC, compared with those held at the beginning of the year, are shown in table 10. At the end of 1963 this group of officers held a total of 334,132 shares—6.9 times the number held before the exercise of options in 1963. Although most of these officers held options to purchase additional shares before the end of the year, it was necessary, under SEC rules, for them to wait 6 months after they sold their corporation's stock before acquiring additional stock.

TABLE 1.—Number of shares covered by options granted, dates granted, and the option prices per share ¹

Name of individual or group	Sept. 11, 1958— \$13.1225	Jan. 8, 1959— \$12.485	Dec. 3, 1959— \$15.305	July 27, 1961— \$10.7925	Sept. 20, 1961—\$13.39	Dec. 7, 1961—\$11.61	Mar. 22, 1962—\$14	Oct. 25, 1962—\$13.97	Sept. 11, 1963—\$37.19	Total through Dec. 31, 1963
Paul C. Ackerman	36,000	8,000								44,000
R. S. Bright	36,000	8,000			16,000				20,000	80,000
John D. Leary	19,784	6,000						6,000	15,000	46,784
George H. Love					80,000			60,000		140,000
F. W. Misch	40,000	32,000	8,000						20,000	100,000
E. C. Quinn	31,200				12,000				20,000	63,200
Lynn A. Townsend	20,000	6,000			20,000				20,000	66,000
All directors and officers	374,584	110,000	26,000	34,000	158,000	32,000	40,000	118,000	220,000	1,112,584
All employees	729,584	148,000	56,000	34,000	228,000	32,000	79,000	154,000	(²)	(²)

Source: Chrysler Corp., proxy statements and special report.

¹ Equivalent number of \$6.25 par value shares, after adjustment for stock splits, Apr. 19

and Dec. 20, 1963.

² Not available.

TABLE 2.—*Value of options exercised by principal officers, Jan. 1–Dec. 31, 1963*

	Number of shares pur- chased ¹	Difference between mar- ket value and option price ¹
Officers who are directors:		
Paul C. Ackerman.....	24,000	\$194,535
R. S. Bright.....	30,000	500,175
John D. Leary.....	10,000	133,725
George H. Love.....	80,000	1,281,614
F. W. Misch.....	32,000	481,981
E. C. Quinn.....	43,200	632,298
Lynn A. Townsend.....	37,600	667,483
Total.....	256,800	3,891,811
All executives.....	876,000	13,658,979

¹ Equivalent number of \$6.25 par value shares, after adjustment for stock splits, Apr. 19 and Dec. 20, 1963.

Source: Chrysler Corp. and SEC reports.

TABLE 3.—*Total compensation of present officers who are directors, including salaries, bonus,¹ and option benefits, 1958–63*

	Salary and bonus ¹	Option benefit ²	Total	Option bene- fit percent of total
Paul C. Ackerman, vice president.....	\$632,259	\$194,535	\$826,794	23.5
R. S. Bright, vice president.....	632,259	500,175	1,132,434	44.2
John D. Leary, vice president.....	378,982	133,725	512,707	26.1
George H. Love, chairman.....	256,264	1,281,614	1,537,878	83.3
F. W. Misch, vice president.....	729,355	481,891	1,211,336	39.8
E. C. Quinn, vice president.....	598,130	632,298	1,230,428	51.4
Lynn A. Townsend, president.....	636,734	667,483	1,304,217	51.2
Total.....	3,863,983	3,891,811	7,755,794	50.2

¹ Not including 1963 bonus yet to be determined.

² Difference between market value of stock and option price at time of exercise.

Source: Chrysler Corp.

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TABLE 4.—Salaries and bonuses of present officers who are directors, 1958-63

	1958	1959	1960	1961	1962	1963
Paul C. Ackerman.....	\$84,825	\$96,667	\$100,000	\$100,000	\$100,000	\$100,000
Bonus.....			4,500		29,600	(1)
Total.....	84,825	96,667	104,500	100,000	129,600	(1)
R. S. Bright.....	84,825	96,667	100,000	100,000	100,000	116,667
Bonus.....			4,500		29,600	(1)
Total.....	84,825	96,667	104,500	100,000	129,600	(1)
John D. Leary.....	40,182	50,000	50,000	60,000	67,500	85,000
Bonus.....			2,400		23,900	(1)
Total.....	40,182	50,000	52,400	60,000	91,400	(1)
George H. Love.....	(2)	(2)	(2)	3 21,131	83,333	125,000
Bonus.....					26,800	(1)
Total.....	(2)	(2)	(2)	3 21,131	110,133	(1)
F. W. Misch.....	108,388	115,000	115,000	115,000	115,000	121,667
Bonus.....			5,500		33,800	(1)
Total.....	108,388	115,000	120,500	115,000	148,800	(1)
E. C. Quinn.....	85,113	85,000	85,000	93,750	100,000	116,667
Bonus.....			3,000		29,600	(1)
Total.....	85,113	85,000	88,000	93,750	129,600	(1)
Lynn A. Townsend.....	48,600	60,000	62,500	117,500	129,167	166,667
Bonus.....			3,000		49,300	(1)
Total.....	48,600	60,000	65,500	117,500	178,467	(1)

¹ Not determined; but because of higher earnings will be substantially greater than in 1962.

² Not employed.

³ Partial year.

Source: Chrysler Corp.

TABLE 5.—Number of shares¹ covered by options granted and exercised by officers-directors, Sept. 11, 1958-Dec. 31, 1963

	Options granted	Options exercised	Balance unexercised, Dec. 31, 1963
Officers who are directors:			
Paul C. Ackerman.....	44,000	24,000	20,000
R. S. Bright.....	80,000	30,000	50,000
John D. Leary.....	46,784	10,000	33,784
George H. Love.....	140,000	80,000	60,000
F. W. Misch.....	100,000	32,000	68,000
E. C. Quinn.....	63,200	43,200	20,000
Lynn A. Townsend.....	130,000	37,600	92,400
Total.....	603,984	256,800	347,184
All officers.....	1,112,584	474,400	638,184

¹ Equivalent number of \$6.25 par value shares, after adjustment for stock splits Apr. 19 and Dec. 20, 1963.

Source: Chrysler Corp.

TABLE 6.—Number of shares¹ covered by options exercised and shares sold by officers reporting to SEC, Jan. 1–Dec. 31, 1963

	Shares purchased	Shares sold ²	
		Number	Percent of purchase
Officers who are directors:			
Paul C. Ackerman.....	24,000	18,000	75.0
R. S. Bright.....	30,000	12,000	40.0
John D. Leary.....	10,000	3,400	34.0
George H. Love.....	80,000	0	0
F. W. Misch.....	32,000	15,600	48.8
E. C. Quinn.....	43,200	21,372	49.5
Lynn A. Townsend.....	37,600	24,000	63.8
Total.....	256,800	94,372	36.7
Other officers reporting:			
R. Anderson.....	10,000	6,000	60.0
V. E. Boyd.....	6,400	2,800	43.8
W. S. Blakeslee.....	8,000	0	0
B. W. Bogan.....	2,800	1,400	50.0
H. E. Chesebrough.....	20,000	0	0
E. P. Engel.....	12,800	0	0
E. N. Graham.....	4,000	1,000	25.0
G. T. Higgins.....	10,000	1,000	10.0
D. W. Kendall.....	4,000	0	0
J. F. Kerigan.....	20,000	15,000	75.0
A. G. Loofburrow.....	10,000	0	0
I. J. Minnett.....	16,000	8,000	50.0
T. F. Morrow.....	12,000	5,486	45.7
B. J. Nichols.....	32,000	0	0
W. M. O'Brien.....	4,000	2,000	50.0
W. J. Simmons.....	8,600	5,400	67.5
All officers reporting to SEC.....	436,800	142,458	32.6

¹ Equivalent number of \$6.25 par value shares, after adjustment for stock splits, Apr. 19 and Dec. 20, 1963.² Does not include gifts.

Source: Chrysler Corp. and SEC reports.

TABLE 7.—Gains realized on sale of option stock by principal officers, Jan. 1–Dec. 31, 1963

	Number of shares sold ¹	Capital gains realized before tax		
		At time of exercise	Between exercise and sale	Total
Officers who are directors:				
Paul C. Ackerman.....	18,000	147,176	175,982	323,158
R. S. Bright.....	12,000	198,030	178,500	² 376,530
John D. Leary.....	3,400	57,439	43,550	100,989
F. W. Misch.....	15,600	310,284	196,950	507,234
E. C. Quinn.....	21,372	342,802	283,180	625,982
Lynn A. Townsend.....	24,000	451,980	292,020	744,000
Total.....	94,372	1,507,711	1,170,182	2,677,893
Other officers reporting to SEC:				
Robert Anderson.....	6,000	74,602	100,538	175,140
George T. Higgins.....	1,000	10,124	21,222	31,346
William M. O'Brien.....	2,000	33,005	25,375	58,380
Walter J. Simmons.....	5,400	73,739	94,012	167,751
Irving J. Minnett.....	8,000	129,520	104,000	233,520
Total.....	22,400	320,990	345,147	666,137
All officers as a group.....	149,262	(3)	(3)	4,217,576

¹ Equivalent number of \$6.25 par value shares, after adjustment for stock splits Apr. 19 and Dec. 20, 1963.² Not identified as option stock.³ Not available.

Source: Chrysler Corp. and SEC reports.

TABLE 8.—*Realized and unrealized gain on option stock purchased by officers-directors during 1963 and value of options exercisable at Dec. 31, 1963*

	Unrealized gain on option stock held Dec. 31, 1963			Gain realized on sale ¹	Total gain on options exercised	Value of options exercisable, Dec. 31, 1963 ²	Total realized and unrealized gain on options, Dec. 31, 1963
	At time of exercise	Between exercise and Dec. 31, 1963	Total				
Officers who are directors:							
Paul C. Ackerman.....	\$51, 184	\$119, 831	\$171, 015	\$323, 158	\$494, 173	\$491, 315	\$985, 488
R. S. Bright.....	302, 145	216, 000	518, 145	376, 530	894, 675	850, 795	1, 745, 470
John D. Leary.....	106, 261	84, 788	191, 049	100, 989	292, 038	483, 070	775, 108
George H. Love.....	1, 281, 614	977, 186	2, 258, 800	-----	2, 258, 800	331, 860	2, 590, 660
F. W. Misch.....	322, 334	155, 562	477, 896	507, 234	985, 130	1, 350, 646	2, 335, 776
E. C. Quinn.....	443, 630	178, 823	622, 453	625, 982	1, 248, 135	0	1, 248, 135
Lynn A. Townsend.....	256, 122	154, 812	410, 934	744, 000	1, 154, 934	1, 317, 600	2, 472, 534
Total.....	2, 763, 290	1, 886, 702	4, 649, 992	2, 677, 893	7, 327, 885	4, 825, 286	12, 153, 171

¹ Before income tax.² Based on options granted Oct. 25, 1962, and earlier that could have been exercised by Dec. 31, 1963, under the terms of the grants. Except for Mr. Love, they were precluded from further purchases of company stock by the SEC 6-month waiting period because of sales in August and December. The 30-day, short-sale provision of the Internal Revenue

Code was also applicable. The price at Dec. 31, 1963, was \$41.625, adjusted for the Dec. 20, 1963, stock split.

³ Reflects sale of 12,000 shares not identified as option stock.

Source: Chrysler Corp. and SEC reports.

TABLE 9.—*Earnings, dividends and market prices per share of Chrysler stock, 1952-63*¹

	Earnings	Dividends	Price range	
			High	Low
1952.....	\$2.26	\$1.50	\$24 $\frac{1}{8}$	\$17
1953.....	2.15	1.50	24 $\frac{1}{8}$	14 $\frac{5}{8}$
1954.....	.53	1.125	18 $\frac{1}{8}$	14
1955.....	2.88	1.00	25 $\frac{3}{8}$	16 $\frac{1}{8}$
1956.....	.58	.75	21 $\frac{1}{8}$	15
1957.....	3.44	1.00	20 $\frac{3}{8}$	13
1958.....	d .97	.375	14 $\frac{7}{8}$	11
1959.....	d .16	.25	18 $\frac{3}{8}$	12 $\frac{5}{8}$
1960.....	.91	.375	18	9 $\frac{1}{8}$
1961.....	.31	.25	14 $\frac{1}{8}$	9 $\frac{3}{8}$
1962.....	1.81	.25	18 $\frac{7}{8}$	9 $\frac{5}{8}$
1963.....	(2)	1.00	49 $\frac{7}{8}$	19

¹ Equivalent number of \$6.25 par value shares, after adjustment for stock splits Apr. 19 and Dec. 20, 1963.² Not available.TABLE 10.—*Chrysler stock*¹ held by officers at Dec. 31, 1963, and prior to 1963

	Number of shares held ¹			Number of shares held ¹	
	Prior to 1963	Dec. 31, 1963		Prior to 1963	Dec. 31, 1963
Officers who are directors:			Other officers reporting to SEC—Continued		
Paul C. Ackerman.....	2,200	8,000	E. N. Graham.....	84	3,084
R. S. Bright.....	14,000	31,334	G. T. Higgins.....	420	9,420
John D. Leary.....	2,000	8,242	D. W. Kendall.....	0	4,000
George H. Love.....	4,800	84,800	J. F. Kerigan.....	400	5,400
F. W. Misch.....	4,840	20,960	A. G. Loofburrow.....	1,120	11,120
E. C. Quinn.....	3,028	24,170	I. J. Minnett.....	172	8,138
Lynn A. Townsend.....	4,800	16,840	T. F. Morrow.....	196	6,600
Total.....	35,668	194,346	B. J. Nichols.....	848	32,850
Other officers reporting to SEC:			W. M. O'Brien.....	188	2,188
R. Anderson.....	0	3,972	W. J. Simmons.....	3,600	6,154
W. S. Blakeslee.....	288	8,288	Total.....	12,782	139,786
B. W. Bogan.....	1,016	1,372	All officers reporting to SEC.....	48,400	334,132
H. E. Chesebrough.....	400	20,400			
E. P. Engel.....	4,000	16,800			

¹ Equivalent number of \$6.25 par value shares, after adjustment for stock splits Apr. 19 and Dec. 20, 1963. Source: Chrysler Corp. and SEC reports.

